



Multi-Year Fund Projections

The City includes fund projections in the annual budget. These projections incorporate the current year budget information with the budget outlook over the next five years. Projections include only the current levels of activity and do not include estimates of future service expansions.

Multi-year projections are prepared for the General Fund and the major Enterprise Funds.

GENERAL FUND PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
General Property Taxes	\$ 97,432,048	\$ 100,237,376	\$ 103,124,867	\$ 106,096,946	\$ 109,156,117	\$ 112,304,952
Taxes: Prior Year Levy/Interest	1,785,000	1,811,713	1,867,285	1,915,604	1,973,516	2,032,291
Other Local Taxes	38,573,096	39,856,314	41,200,465	42,623,622	44,096,346	45,620,366
State-Shared Revenues	20,419,193	20,897,230	21,313,781	21,738,666	22,172,045	22,614,093
Licenses and Permits	6,285,053	6,342,724	6,467,245	6,661,267	6,861,855	7,069,247
Investment/Rental Income	407,029	413,229	419,553	426,003	432,582	439,293
Charges for Current Services	8,256,078	8,324,915	8,424,342	8,561,798	8,703,445	8,849,423
Intragovernmental Services	2,380,128	2,427,731	2,476,286	2,525,811	2,576,328	2,627,854
Other Revenues	719,135	719,135	719,135	719,135	719,135	719,135
Additional Revenues	314,338	2,528,541	5,951,565	8,912,146	11,907,970	14,984,072
Total Revenues	\$ 176,571,098	\$ 183,558,908	\$ 191,964,524	\$ 200,180,998	\$ 208,599,339	\$ 217,260,726
Appropriations						
Personal Services	\$ 125,391,232	\$ 130,086,529	\$ 136,144,629	\$ 141,029,304	\$ 146,378,045	\$ 151,961,522
Operating	30,772,897	33,490,332	35,391,142	38,669,802	41,459,721	44,596,598
Capital Outlay	182,951	148,020	150,980	157,019	163,300	169,832
Debt Service	100,000	100,000	100,000	100,000	100,000	100,000
Others	2,744,877	2,814,256	2,885,633	2,959,066	3,034,614	3,112,337
Appropriation to Fund Balance	-	-	-	-	-	-
Transfers to Other Funds	17,379,141	16,919,771	17,292,140	17,265,807	17,463,659	17,320,436
Total Appropriations	\$ 176,571,098	\$ 183,558,908	\$ 191,964,524	\$ 201,219,896	\$ 208,599,339	\$ 217,260,726
Property Taxes Needed	\$ 97,432,048	\$ 100,322,891	\$ 106,563,030	\$ 113,462,152	\$ 118,403,689	\$ 124,551,882
Projected Levy	97,432,048	97,794,350	100,611,465	103,511,108	106,495,719	109,567,810
Surplus/(Shortfall)	\$ -	\$ (2,528,541)	\$ (5,951,565)	\$ (9,951,044)	\$ (11,907,970)	\$ (14,984,072)
One Cent on Tax Rate	\$2,374,654	\$ 2,383,484	\$ 2,452,144	\$ 2,522,815	\$ 2,595,557	\$ 2,670,432
Tax Rate (General Fund Only)	0.4103	0.4103	0.4103	0.4103	0.4103	0.4103
Tax Rate Equivalent	0.0000	0.0106	0.0243	0.0394	0.0459	0.0561
Tax Rate (cents)	0.4103	0.4209	0.4346	0.4497	0.4562	0.4664
12% Undesignated Fund Balance	\$ 19,091,035	\$ 19,646,986	\$ 20,602,410	\$ 21,582,735	\$ 22,560,128	\$ 23,607,354
Undesignated Fund Balance	\$ 19,535,258	\$ 19,535,258	\$ 19,535,258	\$ 19,535,258	\$ 19,535,258	\$ 19,535,258
Fund Balance %	12.5%	11.9%	11.4%	10.9%	10.4%	9.9%

GENERAL FUND PROJECTION

Revenue Assumptions

- Property Tax Base is projected to grow at 2.88% annually overall.
- FY 2015-16 is a revaluation year in which property tax rates will be reappraised.
- Other Local Taxes (Sales and Hotel/Motel) are projected at 3.5% growth annually.
- Intergovernmental projection: State shared revenues are assumed to have slow growth of 2%.
- Licenses & Permits are projected to have slow growth (between 1% and 2%).
- Interest & Rental Income are projected to have slow growth (between 1% and 2%).
- Charges for Current Services are projected to have flat growth.
- Other revenue is projected to grow at 0.5% annually.

Appropriation Assumptions

- Personal Services (all salaries and benefits) appropriations are projected to grow at 3.5% overall.
- Operating appropriations are projected to grow at 2% through FY 2013-14, then at 4% through FY2016-18.
- Capital outlay is projected to grow at 2% through FY 2014-15, then at 4% through FY2016-18.
- Transfers to Other Funds are projected to grow overall by 2%.

DEBT FUND PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Property Taxes	\$ 29,659,427	\$ 30,912,702	\$ 32,361,580	\$ 30,871,407	\$ 32,076,387	\$ 33,038,679
Interest	31,537	18,549	-	-	-	-
Other Revenue	692,520	692,520	692,520	685,692	670,996	691,126
Transfers from Other Funds	1,203,484	1,076,963	1,029,825	988,338	944,876	973,222
Appropriation from Fund Balance	1,938,097	2,350,000	1,854,883	-	-	-
Total Revenues	\$ 33,525,065	\$ 35,050,734	\$ 35,938,808	\$ 32,545,437	\$ 33,692,259	\$ 34,703,027
Appropriations						
Debt Service	\$ 33,525,065	\$ 35,050,734	\$ 35,938,808	\$ 32,545,437	\$ 33,692,259	\$ 34,703,027
Total Appropriations	\$ 33,525,065	\$ 35,050,734	\$ 35,938,808	\$ 32,545,437	\$ 33,692,259	\$ 34,703,027

DEBT PROJECTION

Revenue Assumptions

Property Taxes – The portion of property tax allocated to pay for debt service.

Interest - Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

Other Revenue – Subsidy payments from Build America Bonds (BABs).

Transfers from Other Funds – Transfers made from the General Fund.

Appropriation Assumptions

Debt Service – Principal and interest payments on the City's debt service.

WATER AND SEWER FUND PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Water & Sewer Sales	\$ 81,490,068	\$ 82,495,522	\$ 85,004,503	\$ 87,921,879	\$ 92,395,685	\$ 96,456,979
Other Operating Revenues	485,000	494,700	504,594	514,686	524,980	535,480
Investment/Rental	540,600	551,412	562,440	573,689	585,163	596,866
Licenses and Permits	56,000	57,120	58,262	59,427	60,616	61,828
Frontage Fees/Assessments	240,000	244,800	249,696	254,690	259,784	264,980
Other Revenues	66,028	67,349	68,696	70,070	71,471	72,900
Transfers From Other Funds	308,942	298,288	287,635	276,982	-	-
Appropriation from Fund Balance	6,714,865	39,343,750	-	2,272,231	-	-
Total Revenues	\$ 89,901,503	\$ 123,552,941	\$ 86,735,826	\$ 91,943,654	\$ 93,897,699	\$ 97,989,033
Appropriations						
Personal Services	\$ 23,139,908	\$ 23,776,255	\$ 24,727,305	\$ 25,469,124	\$ 26,233,198	\$ 27,020,194
Operating	27,203,562	27,747,633	28,302,586	28,868,638	29,446,011	30,034,931
Capital Outlay	10,000	10,200	10,404	10,612	10,824	11,040
Transfer to CIP	20,000,000	55,179,122	7,368,366	15,608,940	6,675,846	6,738,854
Transfer to Other Funds	656,982	670,122	683,524	697,194	711,138	725,361
Debt Service	18,891,051	16,169,609	21,865,972	21,289,146	26,794,513	26,574,521
Appropriation to Fund Balance	-	-	3,777,669	-	4,026,169	6,884,132
Total Appropriations	\$ 89,901,503	\$ 123,552,941	\$ 86,735,826	\$ 91,943,654	\$ 93,897,699	\$ 97,989,033

Debt Coverage Ratio:

Parity Debt	4.33	4.46	2.26	2.30	1.75	1.91
All Debt	1.88	2.36	1.76	1.84	1.53	1.68

CIP Related:

Revenue or G.O. Bond Issue	\$ 11,650,000	\$ 29,220,878	\$ 84,231,634	\$ 49,591,060	\$ 57,224,154	\$ 57,161,146
CIP Appropriations	\$ 31,650,000	\$ 84,400,000	\$ 91,600,000	\$ 65,200,000	\$ 63,900,000	\$ 63,900,000
Rate Funded	\$ 20,000,000	\$ 55,179,122	\$ 7,368,366	\$ 15,608,940	\$ 6,675,846	\$ 6,738,854

WATER AND SEWER PROJECTION

Revenue Assumptions

- The projection reflects a reserve for debt coverage that is intended to ensure that the City meets or exceeds the revenue bond rate covenants contained in the water and sewer revenue bonds. Adverse conditions such as water restrictions due to drought, or unseasonably wet years, place the City in jeopardy of not recognizing sufficient revenues to meet these covenants. The coverage ratio that must be maintained for parity debt is 1.25 and for all debt 1.0. Generally, only operating revenues can be utilized for computation of the coverage ratio.
- A rate increase for water and sewer service charges is proposed for FY 2012-13. This rate increase is projected to equate to about a 2.7% increase for a tier three (average) residential customer.
- The rate model utilized for the projection includes future rate increases based on growth in operating expenses. The rate model also assumes full funding of the proposed CIP by utilization of revenue and/or General Obligation bond issues.
- Water and Sewer Sales include both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities.
- Most non-rate revenue sources are projected to increase by 2% annually.
- Transfers from Other Funds is a repayment over five years from the General Fund for the financing of an information technology infrastructure upgrade project.

Appropriation Assumptions

- Personal Services costs increase at a rate of 2 - 4% annually.
- Operating costs increase at a rate of 2% annually.
- Capital costs increase at a rate of 2% annually.
- The non-departmental costs generally increase at a rate of 2% annually.
- Debt Service projections for existing debt as provided by the City's Finance Department are further projected with proposed future debt service on general obligation bonds to be issued as approved in the 2005 bond referendum, and future revenue bonds and/or General Obligation bonds issued to fund the proposed CIP in fiscal year 2013 and out.
- Transfers to other funds includes a transfer to Stormwater to cover an arrangement regarding the Household Hazardous Waste program, and transfers to capital funds to pay for fleet replacements.

SOLID WASTE FUND PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Interest and Rental Income	\$ 26,000	\$ 26,260	\$ 26,523	\$ 26,788	\$ 27,056	\$ 27,326
Charges for Current Services	8,295,525	8,378,480	8,462,265	8,546,888	8,632,357	8,718,680
Transfers from Other Funds	13,706,256	14,050,544	14,433,903	14,418,419	14,554,087	14,375,747
Total Revenues	\$ 22,027,781	\$ 22,455,284	\$ 22,922,691	\$ 22,992,095	\$ 23,213,499	\$ 23,121,753
Appropriations						
Personal Services	\$ 6,347,414	\$ 6,474,362	\$ 6,603,850	\$ 6,735,927	\$ 6,870,645	\$ 7,008,058
Operating	12,664,862	12,918,159	13,176,522	13,440,053	13,708,854	13,983,031
Debt Service	3,015,505	3,062,763	3,142,319	2,816,116	2,634,000	2,130,664
Total Appropriations	\$ 22,027,781	\$ 22,455,284	\$ 22,922,691	\$ 22,992,095	\$ 23,213,499	\$ 23,121,753

SOLID WASTE PROJECTION

Revenue Assumptions

- Charges for Current Services are projected at an increase of 1% annually for future years.

Appropriation Assumptions

- Personal Services are projected to grow by 2% annually in future years.
- Operating costs are projected to grow by 2% annually.
- Debt Service estimates are provided by the Finance Department.

STORMWATER MANAGEMENT FUND PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Operating Revenues	\$ 11,985,688	\$12,465,116	\$12,963,720	\$ 13,482,269	\$ 14,021,560	\$14,582,422
Interest and Rental Income	9,000	9,090	9,181	9,273	9,365	9,459
Miscellaneous Revenue	144,800	149,144	153,618	158,227	162,974	167,863
Transfers from Other Funds	232,047	239,008	246,179	253,564	261,171	269,006
Subtotal Revenues	\$ 12,371,535	\$12,862,358	\$13,372,698	\$ 13,903,333	\$ 14,455,070	\$15,028,750
Appropriation from Fund Balance	590,000	-	-	-	-	-
Total Revenues	\$ 12,961,535	\$12,862,358	\$13,372,698	\$ 13,903,333	\$ 14,455,070	\$15,028,750
Appropriations						
Personal Services	\$ 6,489,776	\$ 6,814,265	\$ 7,154,978	\$ 7,512,727	\$ 7,888,363	\$ 8,282,781
Operating	2,689,274	2,756,506	2,825,418	2,896,054	2,968,455	3,042,667
Capital Outlay	42,800	43,656	44,529	45,420	46,328	47,255
Transfers to Other Funds	3,739,685	3,178,732	3,019,796	3,080,192	3,141,795	3,298,885
Transfers to Fund Balance	-	69,199	327,977	368,941	410,128	357,162
Total Appropriations	\$ 12,961,535	\$12,862,358	\$13,372,698	\$ 13,903,333	\$ 14,455,070	\$15,028,750

STORMWATER MANAGEMENT PROJECTION

Revenue Assumptions

Stormwater Charges – Property owners are billed for Stormwater Charges based on the impervious area of their property (measured in Equivalent Residential Units (ERU), or 2,400 square feet). An 8.5% rate increase is proposed for FY 2012-13.

The single-family residential stormwater monthly fee structure reflects three tiers tied to square footage of impervious surface:

- \$2.57 for less than 2,000 square feet
- \$5.34 for more than 2,000 and less than 4,000 square feet
- \$10.68 for more than 4,000 square feet.

The monthly charge for each commercial ERU is \$5.34. Also included in this category are fees for the removal of dead animals from veterinary hospitals, a service provided by the Street Cleaning division. The Stormwater Fee ordinance exempts City streets, but not City buildings, from Stormwater Fees.

- The Stormwater Permit Fee is for plan review and inspection of any required stormwater management facility (e.g., detention basin, sand filter) associated with development plans.
- All other revenues are projected to increase by 3% annually.

Appropriation Assumptions

- Personal Services costs are projected to grow at a rate of 5% annually.
- Operating costs are projected to grow at 2.5% annually.
- The Transfers to Other Funds includes the transfer from the Stormwater Fund to the CIP fund for private property projects and watershed planning and design and to the Fleet Fund for vehicle replacements.
- The fund is planned to be budgeted with a surplus each year to build a sufficient fund balance for future operational needs and/or potential debt service on future infrastructure projects.

TRANSIT FUND PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
General Property Taxes	\$ 7,670,132	\$ 7,891,032	\$ 8,118,294	\$ 8,352,100	\$ 8,592,641	\$ 8,840,109
Licenses and Permits	2,200,000	2,263,359	2,328,544	2,395,606	2,464,600	2,535,580
Intergovernmental	2,548,772	2,621,342	2,696,003	2,772,814	2,851,837	2,933,136
Charges for Current Services	3,677,038	4,029,446	4,229,111	4,333,723	4,441,429	4,552,340
Other Revenue	107,433	108,873	110,399	112,017	113,732	115,550
Appropriation from Fund Balance	-	-	-	108,448	445,454	809,380
Total Revenues	\$ 16,203,375	\$ 16,914,052	\$ 17,482,351	\$ 18,074,708	\$ 18,909,693	\$ 19,786,096
Appropriations						
Operating	14,774,000	15,289,847	16,034,790	16,816,970	17,638,248	18,500,578
Debt Service	217,955	212,736	208,098	203,459	198,821	194,182
Transfers to Other Funds	1,211,420	1,018,662	1,036,294	1,054,279	1,072,624	1,091,336
Appropriation to Fund Balance	-	392,807	203,169	-	-	-
Total Appropriations	\$ 16,203,375	\$ 16,914,052	\$ 17,482,351	\$ 18,074,708	\$ 18,909,693	\$ 19,786,096

TRANSIT PROJECTION

Revenue Assumptions

- This fund does not capture the full revenues or costs associated with Transit operations. Several grants are accounted for in grant funds. Changes in future grant allocations will affect the funding of overall Transit operations.
- The Transit Fund currently receives 3.2 cents of the tax rate. Growth in the tax base is projected at 2.88% annually. There are no assumptions about implementing the approved half cent sales tax increase that voters approved for Transit in November 2011.
- Licenses and Permits are projected to grow by 2.88% annually. No assumptions are made about including future increased fees.
- Intergovernmental (State grant) revenue growth is projected to grow by 2.88% annually.
- Charges for Services are generally projected to grow at 3% for Transit and Paratransit services, except for the portion associated with Duke University's contribution to the Bull City Connector (BCC) which is projected by assuming that Duke pays 50% of the BCC's costs.
- Appropriation from Fund Balance for the purpose of this schedule is the projected deficit for the Transit Fund in each year. The Transit Fund does not have fund balance available to fund these deficits, so identification of a long term funding solution to the ongoing operations of the transit system, and any potential future growth, will be necessary for fiscal planning and continuity of operations.

Appropriation Assumptions

- As noted in Revenue Assumptions, some Transit operating costs are captured in grant funds and not shown here. Changes in those grant allocations will also affect Transit operations funding.
- This projection does not include capital costs for significant expansion of the fleet.
- Most Transit service operating costs are projected to rise at an annual rate of 5% without any increase in service levels. Some savings shown here will be realized in FY 2012-13 and FY 2013-14 if the Designing Better Bus Service (DBBS) recommendations are approved and implemented as proposed.
- Transfers to Other Funds show grant matches required to leverage grant funding for Transit operations.
- Appropriation to Fund Balance is present in years when revenues are projected to exceed expenses.

PARKING FACILITIES FUND PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Interest and Rental Income	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Charges for Current Services	2,090,341	2,111,244	2,132,357	2,153,680	2,175,217	2,196,969
Transfers from Other Funds				20,408	43,094	66,470
Total Revenues	\$ 2,092,341	\$ 2,113,244	\$ 2,134,357	\$ 2,176,088	\$ 2,220,311	\$ 2,265,439
Appropriations						
Personal Services	\$ 64,155	\$ 66,080	\$ 68,062	\$ 70,104	\$ 72,207	\$ 74,373
Operating	1,984,516	2,024,206	2,064,690	2,105,984	2,148,104	2,191,066
Transfer to Fund Balance	43,670	22,958	1,604	-	-	-
Total Appropriations	\$ 2,092,341	\$ 2,113,244	\$ 2,134,356	\$ 2,176,088	\$ 2,220,311	\$ 2,265,439

PARKING FACILITIES PROJECTION

Revenue Assumptions

- Since FY 2002-2003 a private vendor is contracted to operate the City garages and parking lots.
- Charges for Current Services are generally projected to grow by 1% annually. In FY 2012-13, two garages will have reduced revenues due to planned maintenance activities that will require partial closures.
- Transfers from Other Funds are a subsidy from the General Fund. Current projections would require the subsidy to start in FY 2015-16.

Appropriation Assumptions

- Personal Services are projected to grow by 3%.
- Operating costs are projected to grow by 2% annually.

BALLPARK FUND PROJECTION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenues						
Interest and Rental Income	\$ 564,447	\$ 570,091	\$ 575,792	\$ 581,550	\$ 587,366	\$ 593,239
Charges for Service	125,000	125,000	125,000	125,000	125,000	125,000
Transfers from Other Funds	1,594,931	451,591	467,105	483,022	499,349	516,101
Total Revenues	\$ 2,284,378	\$ 1,146,682	\$ 1,167,897	\$ 1,189,572	\$ 1,211,715	\$ 1,234,341
Appropriations						
Personal Services	\$ 114,135	\$ 117,559	\$ 121,086	\$ 124,718	\$ 128,460	\$ 132,314
Operating	867,068	884,409	902,098	920,139	938,542	957,313
Debt Service	978,378	33,988	27,898	21,474	14,695	7,544
Transfers to Other Funds	324,797	110,726	116,816	123,240	130,018	137,170
Total Appropriations	\$ 2,284,378	\$ 1,146,682	\$ 1,167,897	\$ 1,189,572	\$ 1,211,715	\$ 1,234,341

BALLPARK PROJECTION

Revenue Assumptions

- Rental and lease income includes Skybox revenue, rents and a ticket surcharge and is projected to grow at 1% annually.
- Charges for Service represent ticket surcharges which are projected to have flat growth.
- The Transfer from Other Funds represents a subsidy from the General Fund for debt service payments and a portion of operating expenses.

Appropriation Assumptions

- Personal Services costs are projected to grow by 3% annually.
- Operating costs are projected to grow by 2% annually.
- Debt Service estimates are supplied by the Finance Department.